

KENTUCKY HIGHER EDUCATION STUDENT LOAN CORP

Proposed Projects NOT Involving the State General Fund

<u>Project Title / Description</u>	<u>Total Budget</u>	<u>Source(s)</u>
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2006-2008

Purchase Highlight Color Print Systems	\$440,000	RF
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KHESLC needs to replace two aging print systems which are used to produce approximately 800,000 borrower statements, student aid award letters, and internal business documents each month. The current equipment is six years old and requires frequent repair to keep it in operation. In addition, the manufacturer will not be renewing service contracts on the current equipment after 2006 and has stopped supplying parts for these models to area parts distributors. This equipment is no longer reliable and must be replaced to ensure continued production. KHESLC plans to purchase two highlight color print systems to replace this equipment.

Upgrade Information Technology Systems	\$671,000	RF
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This initiative involves maintenance of the IBM i5 computer system and related peripheral equipment used to support programs administered and services provided by KHESLC and KHEAA. Primary activities include activating additional processors, enhancing peripheral equipment, and adding data storage capability.

2008-2010

Replace KHEAA Loan Administration System (KLAS)	\$8,000,000	RF
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This initiative involves replacing the existing KHEAA Loan Administration System (KLAS) that tracks all of the Federal Family Education Loan Program (FFELP) origination, guarantee, and disbursement activities administered by KHEAA. KLAS was implemented in 1999. New technologies, coupled with rapid business growth, make it necessary that KHEAA embrace a system lifecycle management strategy that ensures our system remains fresh and fully optimized and provides our customers with the most flexibility possible. Allowing IT systems to become dated can cause company-wide inefficiencies, lack of productivity, and sub par customer support, putting us at a competitive disadvantage.

Upgrade Information Technology Systems	\$1,342,000	RF
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This initiative involves a major upgrade to the IBM enterprise computer system and related peripheral equipment used to support programs administered and services provided by KHESLC and KHEAA. The primary focus of the upgrade will be to take advantage of technological changes available through enhanced system architecture and software tools.

2010-2012

Upgrade Information Technology Systems	\$671,000	RF
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This initiative involves maintenance of the IBM enterprise computer system and related peripheral equipment used to support programs administered and services provided by KHESLC and KHEAA. Primary activities include activating additional processors, enhancing peripheral equipment, and adding data storage capacity.

*Notes

- Priority rankings were required to be assigned only to those projects proposed to be financed from the state General Fund (cash or bonds) in 2006-08; all other projects are listed in alphabetical order.
- Descriptions are as provided in the "Brief Description and Justification" field of the agency's capital plan submission.
- Sources: AB = Agency Bonds; FF = Federal Funds; RF = Restricted Funds; OT = Other Funds; TF = Road Fund